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Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives
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Preparations for the special session of the General Assembly on the implementation of the outcome of the World Summit for Social Development and further initiatives

Review reports and proposals for further action and initiatives submitted by organs and specialized agencies of the United Nations system and other concerned organizations

Note by the Secretary-General

Addendum

Contribution from the International Labour Office**

1. The Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives, in paragraph 6 of the annex to decision 1,[1] requested the Secretary-General to present to the Preparatory Committee at its second substantive session an update on the report presented to the General Assembly at its fifty-fourth session, as requested in paragraph 20 of Assembly resolution 53/172 of 15 December 1998, with particular focus on social development and suggesting specific measures for responding to the social consequences of the recent financial crises.

2. The Preparatory Committee, in paragraph 10 of the annex to decision 1, invited the Secretary-General, in cooperation with relevant organizations, in particular the International Labour Organization and the International Social Security Association,

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** The report is being issued as received in the language of submission only.

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to prepare a report for the Preparatory Committee at its second substantive session containing recommendations for further action in the field of social protection, taking into consideration the particularities of regions and countries, their level of development and the need for international cooperation to support the efforts of developing countries in that regard within the overall goal of the eradication of poverty.

3. The Preparatory Committee, in paragraph 11 of the annex to decision 1, invited the International Labour Organization and other relevant organizations of the United Nations system, such as the World Bank:

(a) To present analyses on the following issues:

(i) The scope for and obstacles to increasing the employment potential of infrastructure development in developing countries, in particular in rural areas;

(ii) Stimulation of employment in the social sector through private investment;

(iii) Special employment issues faced by particular groups, including youth, older persons, migrants, persons with disabilities and indigenous people;

(iv) The contribution of the informal sector and small enterprises in generating potential for self-employment and sustainable livelihoods and in contributing to social integration, in particular for vulnerable groups;

(v) Policy measures at the regional and international levels to stimulate employment;

(vi) Successful national and regional initiatives and experiences in the creation of employment and their applicability elsewhere;

(vii) The role of vocational education, training and retraining, in particular in skills increasingly demanded in the changing technical and economic environment;

(viii) The potential role of social dialogue in increasing employment;

(ix) Reconciliation of work and family life;

(b) To propose, on the basis of the analyses, concrete suggestions for employment generation, taking into account gender-specific obstacles to employment as well as the goal of equal employment opportunities.

4. The Secretary-General accordingly circulates herewith, for the information of the Preparatory Committee, the report prepared by the International Labour Office in response to those requests.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 45* (A/54/45 and corrigendum), chap. VI, sect. B.

DECENT WORK AND POVERTY REDUCTION IN THE GLOBAL ECONOMY

Preface

At the ILO we have a strong commitment to the success of the Beijing +5 and Copenhagen +5 processes leading to the Millennium General Assembly. We see the three events as interconnected. They constitute for the United Nations system an extraordinary opportunity to define major problems of today properly and to agree on policies to address the social impact of globalization, acknowledging both the common and diverse interests of different groups of countries and their national situations. They should also help to reduce uncertainty and insecurity in the lives of ordinary people by responding to the critical social demands of women, men and children throughout the world, their families and the communities in which they live. We want to be a team player within a strong United Nations system that rises to the challenge of globalizing social progress.

Juan Somavia,
Director-General,
International Labour Office.

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Summary

The paper provides an ILO perspective on the social impact of salient developments in the global economy since the World Summit for Social Development in 1995. It highlights the fact that the processes of globalization in terms of trade, investment and financial liberalization, as well as technological change, have intensified since then. With the increasing importance of freer cross-border transactions and global production networks it is necessary to shift to a global, as opposed to the traditional international, approach to economic and social policies. Issues of global governance through consensus building and freely chosen international agreements are now at the centre of the agenda for the world community.

The paper also underscores the fact that, together with its many achievements, the present form of globalization has not succeeded in making markets work for all. The benefits of globalization have been very unevenly distributed both between and within nations. At the same time a host of social problems have emerged or intensified, creating increased hardship, insecurity, and anxiety for many across the world, fuelling a strong backlash. As a result the present form of globalization is facing a crisis of legitimacy resulting from the erosion of popular support.

It is clear that the major technological changes driving globalization are here to stay. It is equally clear that a number of specific changes in present economic and social policies need to be adopted for the credibility of the overall process to be restored. This effort has been described as putting a human face on the global economy.

In order to resolve this crisis it is essential for the Special Session of the General Assembly on the Follow-up to the Social Summit in June 2000 to take imaginative and bold initiatives. The bulk of the present paper has in fact been devoted to arguing the case for some initiatives which the ILO considers to be of special importance. These proposals for further initiative are summarized below.

A. The need for greater policy coherence

The close interdependence of economic and social policies has long been recognized. It has indeed been a major feature of the work of the ILO throughout much of its existence and is underlined in the Copenhagen Declaration and Programme of Action. The Copenhagen Declaration stressed the need to "create a framework for action to ... integrate economic, cultural and social policies so that they become mutually supportive", while the Programme of Action emphasized the importance of "an integrated approach" to implementation. But the problems encountered as a result of the rapid progress of globalization have brought into sharp relief the need for it to be taken much more fully into account in national and international policy-making. The clear message that should emerge from the Special Session of the General Assembly is that the *integrated problems of sustainable economic growth and social development cannot be tackled with sectoral solutions*. We have reached the limits of sectoral solutions to integrated global problems.

Yet the manner in which the institutions of the international community operate does not reflect this basic but self-evident truth. In the fundamental area of integrated thinking the multilateral system of international organizations is under-performing. It can clearly do better. The interrelationships between the economic, environmental and social aspects of development, and the synergies to be built up between them, need to guide the policies and activities of the system as a whole. If not, there will be many missed opportunities. As a result, the activities and operations of the United Nations system will be less than optimally effective, and the world of international organizations lays itself open to criticisms of incoherence, inefficiency and wasteful duplication.

The Special Session should call for a more coherent and integrated approach to policy-making, based on a recognition of the necessary interdependence of economic and social policies to address the core issues of the Social Summit: poverty, employment and social integration. All agencies within the multilateral system should work more closely together in order to make the different dimensions of economic and social

progress mutually supportive. They should promote policy synergies which deal in an integrated fashion with the interrelated aspects of economic and social policy in order to address the social impact of globalization. In doing so, they should consider the national conditions and particular needs of different groups of countries. It is necessary to move away from "one-size fits all" solutions by putting the collective experience of the United Nations system at the service of individual countries in their development efforts. In this connection, the challenges that need to be addressed include:

(i) promoting the simultaneous and equal consideration of economic and social objectives in the process of policy formulation. This is essential for overcoming the unwarranted dichotomy between economic and social policies that is regrettably still all too common. The attainment of social objectives is the ultimate justification for economic policies. That being so, the employment and social impact of economic and financial policies need to be taken into account from the outset and not to be left for subsequent treatment. It would thus be important to institute systems for the *ex ante* assessment and continuous monitoring of the social impact of economic policies at both the international and national levels. Indeed there should be assessments not only of the social impact of economic policies but also of the economic impact of social policies. The latter is often overlooked or mistakenly undervalued, hence reinforcing the bias against social investments and expenditures. This would be particularly relevant to the formulation of macroeconomic policies for dealing with financial crises and the design of economic reform programmes such as trade and financial liberalization, privatization and enterprise restructuring, labour market deregulation, and social security reform;

(ii) developing new concepts and measurements that will facilitate the shift to a more integrated approach to policy formulation. This includes a widening of the concepts of productivity and efficiency beyond purely economic criteria to capture the positive developmental effects of investments in social capital and other social policies;

(iii) reforming the institutions and processes for policy formulation to ensure greater participation and transparency. Particularly important are measures to develop strong institutions for social dialogue between business and labour, as well as their involvement with relevant organizations from civil society in policy formulation and implementation. This will need to be based on action to strengthen the capacity of the social partners and civil society to address social and economic policy issues and their interlinkages. International cooperation must be based on national ownership of policies pursued;

(iv) promoting greater awareness of the continuing importance of the role of the State in dealing with market failures and providing public goods, especially in economies where markets remain underdeveloped and inefficient. This includes the State's role in alleviating poverty and reducing inequality, in maintaining adequate financing for basic social services, and in developing and maintaining the regulatory frameworks and institutions that are necessary for the efficient and equitable functioning of markets. This promotion of greater awareness needs to be supported by action to strengthen the capacity of the State to discharge these functions effectively. We need a "better" State that is respected and respects itself in the institutional function it performs for the benefit of its citizens;

(v) developing a positive environment for investment and enterprise creation nationally and internationally, considering good practices and major differences among countries. It should be based on the recognition of the interdependence between respect for freedom of enterprise for investors and freedom of association for workers. Innovation, creativity and entrepreneurship need to be stimulated. Special attention should be paid by all organizations to promoting small enterprises;

(vi) implementing the ECOSOC policy on gender equality defined in the Agreed Conclusions of 1997. This requires the mainstreaming of the gender perspective into all policies and programmes in the United Nations system. Mainstreaming is a strategy for making women's as well as men's concerns an integral dimension in the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally and inequality is not perpetuated;

(vii) translating into concrete actions the call from the July 1999 Substantive Session of ECOSOC for "the relevant organizations of the United Nations system to take consistent, coherent, coordinated and joint actions in support of national efforts to eradicate poverty, with particular attention to employment creation and work and the empowerment and advancement of women".

The Special Session of the General Assembly should aim to leave its mark on the international system by creating a framework for an integrated approach to economic and social policy-making in an increasingly integrated world economy.

It should send the same message to national governments, where concerted and coordinated action among several ministries is essential for formulating coherent national financial, economic and social policies to respond to the far-reaching challenges of globalization. And it should insist on the importance of employers' and workers' organizations and other representative organizations of civil society being informed of the social benefits to be expected from policies of greater openness to the global economy, as well as the possible negative social consequences of such policies, and of their being consulted on the choice of mutually supporting economic and social policies to ensure that the benefits are equitably distributed and adequate assistance and protection provided to those most seriously affected by such changes. The assistance provided by the organizations of the United Nations system should promote an integrated approach at the national level, and to this end the entire system needs to dialogue not only with governments but also with representative organizations of civil society in all its country-level action. The absence of such a dialogue in the past may go a long way to explain why some policies have run up against strong popular opposition and great difficulties of implementation.

B. Promoting decent work in the global economy

The initial consultations on the possible content and outcome of the Social Summit in the early 1990s made it clear that two interlinked issues constituted the core of social disquiet in most countries: poverty and social exclusion. At the same time, those consultations made it clear that the first step out of poverty and social exclusion was some form of income-generating activity, described in many ways: jobs, sustainable livelihood, self-employment, micro-entrepreneurship, among others. Employment generation thus became the third core issue of the Social Summit. In this context, the Copenhagen Declaration and Programme of Action recognized that the ILO, "because of its mandate, tripartite structures and expertise, has a special role to play in the field of employment and social development" and requested it "to contribute to the implementation of the Programme of Action." In doing so, the ILO has developed many activities at the operational, research and policy level that it wishes to put at the disposal of the Special Session, as an input for its deliberations and with a view to its eventual support for these initiatives as an integral part of the conclusion of and follow-up to the session. They constitute the ILO's global programme on decent work.[1]

The programme is designed to be a strategic means of reducing poverty and promoting social integration and of giving effect to the more integrated approach to economic and social policies that is being called for. The overall goal of the global economy should be to provide opportunities for all men and women to obtain decent and productive work in conditions of freedom, equity, security and human dignity. This requires the attainment of four objectives: employment creation; promoting human rights at work; improving social protection; promoting a social dialogue. These are all areas which are vital to social progress in this era of globalization, which are central to the ILO's mandate, but which require an integrated approach involving many organizations in the international system.

Given the critical importance of employment creation, the Special Session is invited to call upon all States and international organizations to support, and collaborate with, the ILO in the following key initiatives:

[1] The Report *Decent work*, presented by the Director-General to the International Labour Conference in June 1999, is submitted for reference as a document of the Special Session.

(i) the preparation of and follow-up to a *World Employment Forum* that the ILO will hold in 2001. This will bring together national and international policy-makers, as well as representatives of the ILO's tripartite constituency, to examine critically some of the key problems that have to be confronted in achieving decent work in the global economy for all men and women, and to launch new initiatives to deal with them in the perspective of full employment;

(ii) the preparation and follow-up to a *Global Conference on the Informal Economy* that the ILO is planning to organize in the year 2002. The purpose of the Conference will be to take critical stock of what has been learned and what has been achieved over the past 30 years in this field, as originally identified by the ILO, and to identify key areas for action and attention in the years ahead;

(iii) the preparation of Country Employment Policy Reviews (CEPRs), carried out in close collaboration with national authorities and employers' and workers' organizations. These reviews are a major instrument for developing the comprehensive approaches that are necessary to overcome the many obstacles in terms of economic structure, market limitations, institutional deficiencies, policy inadequacies and lack of social dialogue that prevent developing countries from reaping fully the potential benefits of globalization for employment growth;

(iv) the production of future issues of the *World Employment Report*, which explores and highlights key developments and innovations in the employment field and aims to provide the basis for an informed global debate on employment issues. The next issue which will be published in 2001 is entitled *Employment Challenges in the 21st Century* and will focus on the impact of the new information and communication technology and the knowledge economy on employment and organization of work;

(v) the implementation of the InFocus Programme on Skills, Knowledge and Employability, which aims at promoting increased and effective investment in training and human resource development for enhanced employability, competitiveness and growth as well as improved access of vulnerable groups to human resource development and labour market opportunities;

(vi) the implementation of the InFocus Programme on Boosting Employment through Small Enterprise Development. Given that the greatest potential for job creation worldwide lies with the small enterprise sector, this programme aims to expand employment in this sector through enterprise creation and growth, improve the quality of jobs in small enterprises, ensure that gender concerns in small enterprise development are mainstreamed, and promote business networking and representation in small enterprises;

(vii) the implementation of the International Programme for More and Better Jobs for Women, which is directed at expanding employment opportunities for women while enhancing their conditions of employment and eliminating discrimination at work. The programme focuses especially on the needs of poor and vulnerable women and aims to demonstrate that women's economic empowerment also benefits their families, communities and societies;

(viii) the implementation of the "Jobs for Africa" programme, which is based on a framework for poverty-reducing employment strategies in Africa. The programme has two interlocked objectives: the first is to promote investment-led growth, while the second is to ensure that this growth maximizes employment and reduces poverty.

With respect to the quality of job creation, the Copenhagen Summit chose seven ILO Conventions and agreed to promote their ratification and implementation as a common objective of the international community.

Subsequently, in June 1998, the ILO approved the Declaration on Fundamental Principles and Rights at Work which set in motion a worldwide process of reporting and analysis within the ILO with respect to the effective realization of these rights. They refer to freedom of association, collective bargaining, non-discrimination, forced labour and child labour. Additionally, by unanimous vote of the Governments, Employers and Workers in June 1999, the ILO adopted Convention No. 182 concerning the prohibition and immediate action for the elimination of the worst forms of child labour.

In this context, the Special Session of the General Assembly is invited to call upon all States:

(i) to ratify and apply the seven basic ILO Conventions identified by the Copenhagen Summit as the social floor of the global economy, as well as the Worst Forms of Child Labour Convention, 1999 (No. 182), which has been adopted since the Copenhagen Summit;

(ii) to cooperate with the ILO in implementing the follow-up to the Declaration on Fundamental Principles and Rights at Work, which aims to ensure universal respect for the rights proclaimed in these Conventions. The support of the private sector in giving direct effect to these rights through corporate practices, as called for in the Global Compact proposed by the Secretary-General of the United Nations, would also be an important contribution. The Special Session could also call upon the organizations of the international system to pursue their policies and activities in ways that support, and certainly do not undermine, country efforts to respect, promote and realize the fundamental principles and rights at work in their development policies;

(iii) to support and participate in the global campaign launched by the ILO for the immediate elimination of the worst forms of child labour. In particular, national and international economic and social development programmes should systematically include urgent measures to this end. All international organizations and bilateral cooperation agreements could include specific objectives with respect to the worst forms of child labour. Eliminating the worst forms of child labour should spearhead the wider effort of progressively reducing all forms of child labour within the development reality of each country.

In the area of social protection the Special Session is invited to consider support for, and collaboration with, the ILO in the following key initiatives:

(i) the InFocus Programme on Socio-Economic Security, which is directed at developing policies and institutions that provide a growing proportion of the world's population with social and economic security; at identifying ways in which the poor and economically insecure can obtain minimal income security most effectively; and at identifying cost-effective and equitable ways in which social protection can be extended to all groups currently excluded from mainstream statutory social security schemes. The latter includes mechanisms such as informal micro-insurance schemes and appropriate unemployment and safety net schemes;

(ii) the InFocus Programme on SafeWork, which seeks to create worldwide awareness of the dimensions and consequences of work-related accidents, injuries and diseases and to strengthen practical action to bring about a significant improvement in the situation;

(iii) the ongoing ILO activities to advance gender equality at work and at home significantly by extending and strengthening measures that seek to harmonize work and family responsibilities;

(iv) ILO activities to improve protection of *migrant workers*, large numbers of whom continue to be subjected to exploitation in recruitment and employment, to forced labour, to exclusion from social insurance and to the denial of their human rights.

Finally, the Special Session is invited to consider support for the ILO's efforts to strengthen the systems and institutions for social dialogue. An InFocus Programme on Strengthening Social Dialogue has been launched to promote the benefits of social dialogue, both as an end in itself and as a means of action essential for achieving decent work for all and the reduction of poverty. The programme will seek to demonstrate the effectiveness of social dialogue, and to strengthen the institutions of social dialogue.

I. Introduction

The Social Summit was prescient in noting that "globalization ... opens new opportunities for sustained economic growth and development of the world economy, particularly in developing countries", but that "at the same time, the rapid processes of change and adjustment have been accompanied by intensified poverty, unemployment and social disintegration". Accordingly, it identified the key challenge as that of "how to manage these processes and threats so as to enhance their benefits and mitigate their negative effects upon people".[1] If anything, these insights remain more valid than ever after the five years that have elapsed since 1995.

Since then, the processes of globalization have intensified. Trade liberalization has advanced further with the implementation of the Uruguay Round and progress under regional trading arrangements. Growth in world trade continued to outstrip growth in world output. As a consequence, the share of world exports in GDP increased from 21.7 per cent in 1995 to 22.9 per cent in 1998.[2] Similarly, liberalization of foreign direct investment has continued and the total flow of foreign direct investment has increased from US$192 billion in 1990 to $400 billion in 1999.[3] Even more dramatic has been the increase in other financial flows in the global economy. With more countries embarking on financial liberalization, including the removal of controls over the capital account, and continued progress in information and communication technology, capital flows have surged. For example, net private capital flows to low and middle-income countries increased from US$43 billion in 1995 to $298 billion in 1999.[4] At the same time, rapid technological change has continued, most strikingly with the explosive growth of the Internet and electronic commerce. Continued falls in the cost of international communications and transport, together with reduced governmental barriers to doing business across the world, has led to further growth of global production networks centred around multinational enterprises. One indicator of this is the dramatic increase in the annual value of cross-border mergers and acquisitions, from US$100 billion in 1993 to $300 billion in 1998. Another is that intra-firm trade among multinational corporations (MNCs) is now estimated to account for one-third of world trade, and another one-third is MNC trade with non-affiliates.[5]

These developments have accentuated the shift from an international economy, characterized by economic relations among nation States with distinct economic boundaries, to a global economy where these boundaries are less significant and where cross-border production and transactions in goods, services, and finance assume more and more importance. This increasing openness of national economies, in conjunction with a growing web of multilateral agreements which constrain national actions, has limited the extent to which national policies alone can effectively solve the growing number of economic and social problems confronting the world. It thus places the issues of global governance through consensus building and freely chosen international agreements at the centre of the agenda for the world community. There is a need to move from an "international" approach to a "global" approach in dealing with economic and social problems. "The market economy itself is not merely an international system. Its global connections run beyond the relation between nations: it is very often relations between individuals in different countries, between different parties in a business transaction." There is thus a need "to go beyond the narrow limits

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[1] United Nations: *The Copenhagen Declaration and Programme of Action* (New York, 1995), p. 5.

[2] IMF: *World Economic Outlook*, Oct. 1999.

[3] World Bank: *World Development Report*, 1999/2000.

[4] ibid.

[5] UNCTAD: *World Investment Report*.

of international relations: not just beyond the national boundaries but even beyond international relations into global connections".[6]

Since the Social Summit there has also been the trauma of the global financial crisis of 1997-99. Beginning as a currency crisis in Thailand in July 1997, it spread rapidly to other parts of Asia, to the Russian Federation, and to several Latin American countries. In the crisis-affected countries it inflicted sharp falls in output and much human suffering. But its ramifications were even wider in that it resulted in a significant fall in growth rates across the world. Regrettable as its social costs were, this first major crisis of globalization served the useful function of galvanizing world attention to the main economic and social problems that have emerged under the present form of globalization. It is imperative that the will to resolve this should not flag, now that recovery from that crisis has begun.

It is against this background that the present paper presents the ILO's views on the action that should be taken by the Special Session of the General Assembly to contribute to solving some major problems plaguing the world, such as poverty, the dearth of decent work and social disintegration. The basic message of this paper is that the present form of globalization is in crisis today because insufficient attention has been given to its social consequences and its social dimensions. As a consequence, it lacks social legitimacy and popular support. The central issue is, therefore, that of how to manage the process of globalization so that it contributes to meeting everyone's needs. In this context the paper stresses that it is essential to make a conceptual leap from sectoral approaches towards integrated thinking in order to find viable solutions to interrelated global problems. In particular, it is important to achieve greater policy coherence, both among international organizations responsible for different aspects of economic and social policy and among the departments of national governments. It gives particular emphasis to the need to organize international cooperation and partnerships in support of the ILO's global programme on decent work, which is a strategic means for reducing poverty as well as for giving effect to the more integrated approach to social and economic policies that is being called for.

II. Social progress since Copenhagen

In the period since the Social Summit, the rate of growth of real GDP in the world economy slowed considerably in 1998 and 1999 after having grown by 4.2 per cent in both 1996 and 1997. In 1998 it declined to 1.9 per cent and it is estimated to have been 3 per cent in 1999. The main factors behind this have been the Asian financial crisis, its contagion effects on other regions and the deepening of the Japanese recession during 1998 and most of 1999.

[6] Sen, A : Address to the International Labour Conference, June 1999.

For developing countries as a whole, the growth rate declined from 5.7 per cent in 1996 to 2.1 and 3.0 per cent respectively in 1998 and 1999. Within this overall slowdown, there was in fact negative growth in GDP in the worst affected Asian countries in 1997 and a decline of 7.9 per cent in 1998. GDP also declined by 2.7 per cent in the countries of the former Soviet Union in 1998, and by 0.6 per cent in Latin America and the Caribbean in 1999.[1] These developments had a significant negative impact on employment and poverty in many developing countries. As shown in table 1, the unemployment rate increased substantially in the worst-affected countries during the height of the crisis in 1998. Although there has been a decline in unemployment with the stronger than expected recovery that is in place, these rates still remain significantly higher than pre-crisis levels. In Latin America and the Caribbean urban unemployment increased significantly between 1998 and 1999 in 13 out of the 17 countries for which data are available. In ten countries, the rate was very high, ranging between 10.1 per cent and 19.8 per cent in 1999. There has been a similar rise in unemployment in Eastern Europe and the former Soviet Union. Between 1995 and 1999 unemployment rose in all but four out of the 24 countries shown in table 1. Moreover, in 14 of these countries the unemployment problem was severe, standing at 9 per cent — or substantially more in some cases — in mid-1999. Thus, in spite of the onset of recovery "the effects of the crisis of 1997-99, from East Asia to the Russian Federation and Brazil, persist in may aspects. In most developing countries growth remains weak and well below the pre-crisis trends. Social dislocations are severe, and have increased not only in Asia but also in other affected countries. Progress in poverty reduction has stalled in the developing world at the end of the 1990s, and the number of poor is rising in most regions".[1]

Table 1. Unemployment in various regions

A. South-East and East Asia

Country	Pre-crisis	Mid-1998	End-1998	Early 1999
Indonesia	4.9	n.a.	n.a.	n.a.
Thailand	2.2	4.5	n.a.	5.4 (Feb. 1999)
Republic of Korea	2.3	8.2	8.5	6.5 (May 1999)
Malaysia	2.6	3.2	n.a.	4.5 (March 1999)
Hong Kong, China	2.4	4.5	5.8	6.3 (May 1999)
Singapore	2.0	n.a.	4.4	3.9 (March 1999)

Sources: (1) ILO/UNDP: *Employment challenges for the Indonesian economy* (Jakarta, June 1998). (2) Thailand: *Economic and Financial Data*, available on website: http://www.bot.or.th/research/public/sdds/sdds.htm. (3) Hong Kong: *Economic and Financial Data for Hong Kong*, available on website: http://www.info.gov.hk/hkma/stat/eco_fin.html. (4) Singapore: *Economic Survey of Singapore First Quarter 1999*, available on website: http://www.singstat.gov.sg/PRESS/econ.html. (5) Malaysia: *Key Statistics Malaysia*, available on website: http://www.statistics.gov.my/English/keystats.html. (6) Republic of Korea: National Statistics Office, available on website: http://www.nso.go.kr/report/data/ssec9812.htm.

[1] World Bank: *Global economic prospects and the developing countries 2000*, Dec. 1999.

[1] ibid., p. 1.

B. Latin America and the Caribbean: Urban unemployment rate

Country	1995	1996	1997	1998	1999[1]
Argentina	17.5	17.3	14.9	12.9	14.5
Brazil	4.6	5.4	5.7	7.6	7.7
Chile	6.6	5.4	5.3	6.4	10.1
Colombia	8.8	11.2	12.4	15.2	19.8
Costa Rica	5.7	6.6	5.9	5.4	n.a.
El Salvador	7.0	5.8	7.5	7.6	8.0
Honduras	6.6	6.6	5.2	5.8	5.4
Mexico	6.2	5.5	3.7	3.2	2.6
Panama	16.4	16.9	15.4	15.5	13.0
Peru	7.9	7.9	8.4	8.2	9.8
Uruguay	10.8	12.3	11.6	10.2	12.1
Venezuela	10.3	11.8	11.4	11.3	15.3

[1] Data from third quarter 1999.

Source: ILO: *ILO news, Latin America and the Caribbean: Labour Overview*, 1999.

C. Transition economies

Eastern Europe	1995	August 1999
Albania	12.9	18.0 (July 1999)
Bosnia and Herzegovina	n.a.	39.1 (July 1999)
Bulgaria	11.1	13.6
Croatia	17.6	19.1
Czech Republic	2.9	9.0
Hungary	10.4	9.4
Poland	14.9	11.9
Romania	9.5	10.9
Slovakia	13.1	18.2
Slovenia	14.5	13.4
Yugoslavia	24.7	29.3 (March 1999)
Baltic States		
Estonia	5.0	6.5[1]
Latvia	6.6	9.8
Lithuania	7.3	8.1
CIS		
Armenia	6.1	11.3
Azerbaijan	1.1	1.2
Belarus	2.7	2.1
Georgia	3.4	4.8
Kazakhstan	2.1	3.6
Kyrgyzstan	3.0	3.1
Republic of Moldova	1.4	2.4
Russian Federation	8.9	12.4
Tajikistan	1.8	3.3
Uzbekistan	0.3	4.1

[1] Jobseekers estimate by the secretariat of the Economic Commission for Europe.

Source: Economic Commission for Europe, *Economic Survey of Europe*, 1999, No. 3 and 1998, No. 3 (United Nations). The data are from August 1999 and 1995, unless stated otherwise.

D. OECD countries

Country	1995	1996	1997	1998	1999
United States	5.6	5.4	4.9	4.5	4.2
Japan	3.1	3.4	3.4	4.1	4.7
Germany	8.1	8.8	9.8	9.3	9.0
France	11.6	12.3	12.5	11.8	11.1
Italy	11.7	11.7	11.8	11.9	11.6
United Kingdom	8.6	8.0	6.9	6.2	6.1
Canada	9.5	9.7	9.2	8.3	7.8
Total of major countries	6.7	6.8	6.6	6.4	6.2
Australia	8.5	8.4	8.5	8.0	7.3
Austria	5.9	6.3	6.4	6.5	6.3
Belgium	12.9	12.7	12.4	11.6	10.8
Czech Republic	4.1	3.9	4.8	6.5	8.9
Denmark	10.2	8.7	7.7	6.4	5.7
Finland	15.4	14.6	12.7	11.4	10.1
Greece	10.0	10.3	10.2	11.2	11.3
Hungary	10.4	10.1	8.9	8.0	7.0
Iceland	5.0	4.3	3.7	3.0	2.0
Ireland	12.2	11.9	10.3	7.6	5.8
Korea, Republic of	2.0	2.0	2.6	6.8	6.4
Luxembourg	3.0	3.3	3.3	3.1	2.9
Mexico	6.3	5.5	3.7	3.2	2.8
Netherlands	7.1	6.6	5.5	4.2	3.2
New Zealand	6.3	6.1	6.7	7.5	7.1
Norway	4.9	4.8	4.1	3.2	3.2
Poland	13.3	12.3	11.2	10.6	11.4
Portugal	7.2	7.3	6.8	5.0	4.5
Spain	22.7	22.2	20.8	18.8	15.8
Sweden	7.7	8.0	8.0	6.5	5.5
Switzerland	4.2	4.7	5.2	3.9	2.8
Turkey	6.9	6.0	6.4	6.3	6.6
Total of smaller countries	9.0	8.6	8.1	8.0	7.6
Total OECD	7.4	7.3	7.1	6.9	6.7
Memorandum items					
European Union	10.8	10.9	10.8	10.1	9.4
Euro area	11.5	11.8	11.8	11.1	10.2

Source: *Economic Outlook*, Dec. 1999.

In the industrialized countries there has been a slight drop in unemployment in 1999 with the stronger than expected growth that has occurred recently. For the OECD countries as a whole the

average unemployment rate declined from 6.9 to 6.7 per cent between 1998 and 1999. It should be noted, however, that this is still not a very substantial improvement in relation to the 1995 rate of 7.4 per cent. In the European Union the unemployment rate declined from 10.1 per cent in 1998 to 9.4 per cent in 1999. This remains an unacceptably high average level of unemployment, especially when we take into account the fact that double-digit unemployment still prevails in six out of 15 countries in the European Union. Significant improvements in the employment situation did, however, occur in Denmark, Iceland, Ireland, the Netherlands, Portugal, Sweden, Switzerland and the United States. In these countries the unemployment rate dropped significantly from their 1995 levels and was below 6 per cent in 1999. Set against this, however, was the rise in unemployment to a post-war high in Japan.

Against this backdrop, there is widespread anxiety over the effects of globalization on the lives of ordinary men and women across the world. The advantages of open economies and open societies are an accepted reality for most. What is now becoming increasingly evident is that the benefits are not reaching enough people and that changes in the governance structure of the global economy are required to achieve more satisfactory results. Globalization has created extraordinary new opportunities for businesses and consumers, which have been a major driving force behind recent growth in the world economy. But the inequality of opportunity has been just as extraordinary, both within and between countries. There is a growing recognition that unless questions of unfairness and inequality are addressed by the global community, the process of international integration itself may be rejected by increasing numbers of countries and people. Imagination and creativity will be needed to meet the overriding challenge: that markets must work for everybody.

In spite of the potential benefits that trade, investment, and financial liberalization and other aspects of globalization can confer in terms of a better allocation of resources, greater economic efficiency and higher growth, evidence is accumulating that globalization is widening inequalities between industrialized and developing countries. This is reflected in the continuing marginalization of the least developed countries. They still account for only 1 per cent of global exports and receive 1 per cent of foreign direct investment. Another indicator is that 80 countries have per capita GDP that is lower than ten years ago. Furthermore, the income gap between the fifth of the world population living in the richest countries and the fifth living in the poorest has increased from a ratio of 60:1 in 1990 to 74:1 in 1997.[1]

Although causation is by no means clearly established in all cases, globalization has been accompanied by a host of social problems, many of which are related to the world of work. In many countries increased global competition has led to job losses which have often been concentrated in particular industries and communities, thus magnifying their negative impact in media depictions. At the same time, the compensating mechanisms promised through market forces, namely the creation of new jobs and the smooth redeployment of displaced workers to these, have often been weaker and slower than anticipated. In many developing countries without systems of unemployment insurance or adjustment assistance to workers, the social pain of these labour market developments has been particularly acute. The burden has typically fallen most heavily on vulnerable groups within the workforce, especially women workers suffering from continuing labour market discrimination. In addition, hundreds of millions of the working poor and their families on the margins of developing country labour markets, as well as a significant number of workers in the industrialized and transition economies, are largely bystanders rather than participants in the growth of the world economy.

The emerging global economy has also brought increased uncertainty and insecurity, which are no longer the sole preserve of the socially excluded. Today they reach deep into middle-class attitudes and reactions, and many parents fear that their children may not have a better life than their own. Youth unemployment is high in many countries and young men and women worry about the appropriateness of their education and training in helping them to enter and adapt to more competitive and dynamic labour markets. Business leaders in traditional industrial and

[1] UNDP: *Human Development Report*, 1999.

manufacturing sectors have doubts about where their businesses are heading. Many workers, particularly women in both North and South, feel caught in a race to the bottom, and believe that intensified global competition is exerting downward pressure on working conditions and labour standards.

Intensified international economic competition has created pressures on enterprises to seek more flexible employment arrangements that are often less secure and provide fewer social benefits than regular jobs. This process has often been intensified by misguided labour market deregulation that has ignored more consensual and productive approaches to responding to heightened international competition. Another problem area has been the rise in income inequality that has been observed in many developing and industrialized countries. The causes of this phenomenon are still poorly understood but one contributory factor is the weakening of the bargaining strength of labour. This has come about because of the increased exit options available to capital in a globalizing world economy. In some cases, violations of core labour standards relating to freedom of association and the right to bargain collectively on the part of governments seeking to attract foreign investment have made matters worse. The reduced bargaining strength of workers often results in their being denied a fair share of the gains from openness to international competition and economic growth.

The liberalization of foreign direct investment has added to the competitive pressures faced by local firms, including small and medium-sized enterprises, especially in developing and transition countries. While the longer term benefits of this process are likely to be positive, they initially cause job losses through the restructuring and loss of market share among local producers. In addition, there have been cases where new job creation by foreign firms has been less than anticipated, due to inappropriate enterprise restructuring policies and the adoption of technologies that have been more capital and skill-intensive than warranted by underlying factor proportions in developing countries.

Increased financial liberalization, especially the freeing of capital accounts, has had a significant impact on social development. There has been a growing frequency and severity of financial and economic crises in the 1990s. As shown by the recent Asian crisis these events have resulted in sudden and severe economic downturns that have inflicted heavy social costs. Apart from exposing the dire consequences of neglecting social protection, the crisis has also highlighted the value of sound labour market institutions, especially systems of collective bargaining, dispute prevention and resolution, and social dialogue, in both preventing and coping with the consequences of economic crises.

III. Priority issues and proposals for further initiatives

It follows from the above that the central issue that should be addressed in the follow-up to the World Summit for Social Development *is the adaptation of national economies and national institutions to the emerging global economy, and the management of the process of global change so that it responds to human needs of individuals, their families, and the communities in which they live.*

The objective should be to *make globalization work for everyone*. The process of the integration of national economies into a global economy has immense potential for eliminating poverty and enhancing human development, and there can be no question of attempting to turn the clock back, even if that were possible. But in order for this potential to be realized, globalization has to be seen and managed as a social and not only a purely economic process. In order to be sustainable it has to be built on a broad measure of popular support. It has to be judged not only by its impact on the volume of world trade and capital movements, or by the improvements that it brings about in economic efficiency and technological change, but also by its impact on the lives of ordinary men and women throughout the world — by its results in

terms of net job creation, poverty reduction, and narrowing inequalities in the reasonably short term rather than in some indeterminate future.

The nature of the problems presented by globalization and the solutions to be adopted will, of course, vary from one region to another, and there can be no question of attempting to prescribe detailed policies of universal applicability. It is necessary to move away from "one-size fits all" solutions by putting the collective experience of the United Nations system at the service of individual countries in their development. But the essential point is that no country or region is unaffected by the profound changes that are sweeping through the world economy. Adjustment to global change is a universal challenge affecting rich and poor countries alike, albeit in different ways. All nations have a collective responsibility towards each other and towards their own people to respond to this challenge in a manner that guarantees greater fairness, decency and equity for all sections of the world's population than has hitherto been the case. They need to seize the opportunity offered by the Special Session of the General Assembly to assert their collective determination to put in place a strong social component in the emerging governance structure of the global economy.

A. The need for an integrated approach and greater policy coherence

This will require a more coherent and integrated approach to policy-making, based on a recognition of the necessary interdependence of economic and social policies to address the core issues of the Social Summit: poverty, employment and social integration. It is, of course, self-evident that social progress is facilitated by a high and stable level of sustainable economic growth. Decent jobs cannot be created and poverty reduced in an economic desert. But this does not mean that economic policies can or should be pursued in blind disregard for their social consequences. Economic growth that does not lead to some improvement in the standards of living of all sections of the population, rather than a privileged few, is likely to breed political and social instability which will halt the process. In other words, the sustainability of growth depends quite as much on the distribution of its benefits as it does on continued improvements in economic efficiency. And the economic liberalization that is required to stimulate growth cannot be viable without simultaneous action to contain its negative social effects. Another important connection between the economic and the social lies in the fact that enlightened social policies such as investments in human development (including investments in education and training to increase the employability of workers, investments to reduce the problems of occupational health and safety and to reduce gender inequality) have a high pay-off not only in social but also in economic terms. Moreover, the sustainability of economic progress, the efficient functioning of markets and improvements in productivity depend on democratic and transparent governance and the existence of institutions which permit the main productive forces of society to receive a fair share of the wealth they have contributed to creating and to be informed of, and involved in, decisions that directly affect them.

The close interdependence of economic and social policies has long been recognized. It has indeed been a major feature of the work of the ILO throughout much of its existence and is underlined in the Copenhagen Declaration and Programme of Action. The Copenhagen Declaration stressed the need to "create a framework for action to ... integrate economic, cultural and social policies so that they become mutually supportive", while the Programme of Action emphasized the importance of "an integrated approach" to implementation.[1] But the problems encountered as a result of the rapid progress of globalization have brought into sharp relief the need for it to be taken much more fully into account in national and international policy-making. The clear message that should emerge from the Special Session of the General Assembly is that *the integrated problems of sustainable economic growth and social development cannot be tackled with sectoral solutions*. We have reached the limits of sectoral solutions to integrated global problems.

[1] *The Copenhagen Declaration and Programme of Action*, op. cit.

Yet the manner in which the institutions of the international community operate does not reflect this basic but self-evident truth. In the fundamental area of integrated thinking the multilateral system of international organizations is underperforming. It can clearly do better. The interrelationships between the economic and social aspects of development, and the synergies to be built up between them, need to guide the policies and activities of the system as a whole. If not, there will be many missed opportunities. As a result, the activities and operations of the United Nations system will be less than optimally effective, and the world of international organizations lays itself open to criticisms of incoherence, inefficiency and wasteful duplication.

The different organizations and agencies of the international system bring different perspectives to bear on the issues of growth and development. Full advantage needs to be taken of the richness of experience and expertise that each can contribute to the common effort. They need to work more closely together, in order to make the different dimensions of economic and social progress mutually supportive. They then need to promote policy synergies which deal in an integrated and unitary fashion with the interrelated aspects of economic and social policy in order to address more effectively the social problems that are intensifying in the wake of globalization. In this connection, the challenges that need to be addressed include:

(i) promoting the simultaneous and equal consideration of economic and social objectives in the process of policy formulation. This is essential for overcoming the unwarranted dichotomy between economic and social policies that is regrettably still all too common. The attainment of social objectives is the ultimate justification for economic policies. That being so, the employment and social impact of economic and financial policies need to be taken into account from the outset and not be left for subsequent treatment. It would thus be important to institute systems for the *ex ante* assessment and continuous monitoring of the social impact of economic policies at both the international and national levels. Indeed there should be assessments not only of the social impact of economic policies but also of the economic impact of social policies. The latter is often overlooked or mistakenly undervalued, hence reinforcing the bias against social investments and expenditures. This would be particularly relevant to the formulation of macroeconomic policies for dealing with financial crises and the design of economic reform programmes such as trade and financial liberalization, privatization and enterprise restructuring, labour market deregulation and social security reform;

(ii) developing new concepts and measurements that will facilitate the shift to a more integrated approach to policy formulation. This includes a widening of the concepts of productivity and efficiency beyond purely economic criteria to capture the positive developmental effects of investments in social capital and of other social policies;

(iii) reforming the institutions and processes for policy formulation to ensure greater participation and transparency. Particularly important are measures to develop strong institutions for social dialogue between business and labour as well as their involvement with relevant actors from civil society in policy formulation and implementation. This will need to be based on action to strengthen the capacity of the social partners and civil society to address social and economic policy issues and their interlinkages. International cooperation must be based on national ownership of policies pursued;

(iv) promoting greater awareness of the continuing importance of the role of the State in dealing with market failures and providing public goods, especially in economies where markets remain underdeveloped and inefficient. This includes the State's role in alleviating poverty and reducing inequality, in maintaining adequate financing for basic social services, and in developing and maintaining the regulatory frameworks and institutions that are necessary for the efficient and equitable functioning of markets. This promotion of greater awareness needs to be supported by action to strengthen the capacity of the State to discharge these functions effectively. We need a "better" State that is respected and respects itself in the institutional function it performs for the benefit of its citizens;

(v) developing a positive environment for investment and enterprise creation nationally and internationally, considering good practices and major differences among countries. It should

be based on the recognition of the interdependence between respect for freedom of enterprise for investors and freedom of association for workers. Innovation, creativity and entrepreneurship need to be stimulated. Special attention should be paid by all organizations to promoting small enterprises;

(vi) implementing the ECOSOC policy on gender equality defined in the Agreed Conclusions of 1997. This requires the mainstreaming of the gender perspective into all policies and programmes in the United Nations system. Mainstreaming is a strategy for making women's as well as men's concerns an integral dimension in the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally and inequality is not perpetuated;

(vii) translating into concrete actions the call from the July 1999 Substantive Session of ECOSOC for "the relevant organizations of the United Nations system to take consistent, coherent, coordinated and joint actions in support of national efforts to eradicate poverty, with particular attention to employment creation and work and the empowerment and advancement of women".

The Special Session of the General Assembly should aim to leave its mark on the international system by creating a framework for an integrated approach to economic and social policy-making in an increasingly integrated world economy.

It should send the same message to national governments, where concerted and coordinated action among several ministries is essential for formulating coherent national financial, economic and social policies to respond to the far-reaching challenges of globalization. And it should insist on the importance of employers' and workers' organizations and other representative organizations of civil society being informed of the social benefits to be expected from policies of greater openness to the global economy, as well as the possible negative social consequences of such policies, and of their being consulted on the choice of mutually supporting economic and social policies to ensure that the benefits are equitably distributed and adequate assistance and protection provided to those most seriously affected by such changes. The assistance provided by the organizations of the United Nations system should promote an integrated approach at the national level, and to this end the entire system needs to dialogue not only with governments but also with representative organizations of civil society in all its country-level action. The absence of such a dialogue in the past may go a long way to explain why some policies have run up against strong popular opposition and great difficulties of implementation.

B. Promoting decent work in the global economy

The initial consultations on the possible content and outcome of the Social Summit in the early 1990s made it clear that two interlinked issues constituted the core of social disquiet in most countries: poverty and social exclusion. At the same time, those consultations made it clear that the first step out of poverty and social exclusion was some form of income-generating activity, described in many ways: jobs, sustainable livelihood, self-employment, micro-entrepreneurship, among others. Employment generation thus became the third core issue of the Social Summit. In this context, the Copenhagen Declaration and Programme of Action recognized that the ILO, "because of its mandate, tripartite structures and expertise, has a special role to play in the field of employment and social development" and requested it "to contribute to the implementation of the Programme of Action." In doing so, the ILO has developed many activities at the operational, research and policy level that it wishes to put at the disposal of the Special Session, as an input for its deliberations and with a view to its eventual support for these initiatives as an integral part of the conclusion of and follow-up to the session. They constitute the ILO's global programme on decent work.[1]

[1] The Report *Decent work* presented by the Director-General to the International Labour Conference in June 1999 is submitted for reference as a document of the Special Session.

Decent work is the first step out of poverty and an important stride towards greater social integration. It lies at the heart of the three core issues addressed by the Social Summit. Moreover, having access to opportunities for decent work is the most widely shared aspiration of people and their families in all countries. This means that the global economy should provide opportunities for all men and women to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The ILO's programme on decent work aims at achieving four objectives: employment creation; promoting human rights at work; improving social protection; promoting a social dialogue. These are all areas which are vital for attaining the objectives of poverty reduction, full employment and social inclusion adopted at Copenhagen. Promoting decent work clearly requires an integrated approach involving many organizations in the international system. The Special Session of the General Assembly is therefore invited to call upon all States and international organizations to support the following key elements of the ILO's global programme on decent work:

The first objective: Employment creation

Spreading the benefits of globalization more widely will depend, perhaps more than anything else, on the capacity of the global economy to create good quality jobs, and to reduce unemployment. Employment is the key for creating wealth, and is the primary instrument for distributing it equitably. It is the first and most important step in the struggle against poverty and social exclusion. But the employment situation has worsened in most countries since the Copenhagen Summit — in some cases quite dramatically. The failure of globalization to deliver a steadily increasing number of productive and remunerative jobs throughout the world requires careful examination and urgent priority attention by the Special Session.

Firstly, it has to be recognized that this failure is the result of a combination of inadequacies in international and national policies. As regards international policies, the wave of financial crises that have swept the world during the past two years has been responsible for much of the negative performance of the global economy in terms of employment creation. These crises have not only had a devastating effect on employment in the countries directly affected but have led to a general worsening of the employment situation in other countries too. Thus, how to reduce the risk of financial crises is a question of considerable importance for the achievement of full employment throughout the world. A large part of the solution to this problem lies in current efforts to reform the international financial system, but it would be erroneous to believe that an improved international financial architecture can replace the need for appropriate domestic policies that can reduce a country's vulnerability to financial crises in other countries.

Apart from financial liberalization, other aspects of the continuing globalization of the world economy present challenges to employment policy. Increased openness to foreign competition requires a greater degree of adjustment in production structures within countries, resulting in job losses in less competitive activities. All this creates a triple challenge for national policies:

- to ensure that the jobs destroyed as a result of this increased competition are at least offset by the growth of employment in other activities that are more competitive or less exposed to foreign competition;
- to facilitate the process of adjustment for the affected workers, who have to be able to move rapidly to other sectors and occupations if they are to avoid more or less prolonged periods of unemployment, and to protect those who are the most vulnerable and who have the greatest difficulty in adjusting;
- to create institutions for socially responsible adjustment based on dialogue and cooperation between governments and the social partners.

The centrality of employment in policy formulation and the need for a comprehensive strategy to deal with the employment problem were underlined by the Copenhagen Summit and should be reiterated by the Special Session. They imply that full employment, or the creation of decent work for all men and women who seek it, should be one of the central objectives of the entire international system. They require the creation of a macroeconomic climate that is conducive to enterprise and job creation, policies for

economic growth and technological change that maximize employment creation, and labour market and training policies that facilitate the insertion or reinsertion of workers into productive work. Within this comprehensive and multifaceted approach, some key priority areas for action are suggested below.

Monitoring the employment situation

The impact of globalization on employment needs to be closely monitored at both the national and the international level in order to provide a sound factual basis for policy-making. The ILO will continue to publish the *World Employment Report*, which explores and highlights key developments and innovations in the employment field and aims to provide the basis for an informed global debate on employment issues. The next issue entitled *Employment Challenges in the 21st Century* will be published in 2001 and will focus on the impact of new information and communications technologies and the knowledge economy on employment generation. The ILO also aims to strengthen its work on the production of a global database on *Key Indicators of the Labour Market* (KILM), which will be continuously refined and updated for ongoing monitoring of employment and labour market performance at the national, regional and international levels. The database currently covers close to 200 countries and territories and consists of 18 indicators of labour market performance, 15 of them desegregated by sex.

Developing comprehensive national employment policies

At the country level, the ILO will continue to carry out Country Employment Policy Reviews (CEPRs) in close collaboration with national authorities and employers' and workers' organizations as well as with other international organizations and the donor community. These reviews are a major instrument for developing the comprehensive approaches that are necessary to overcome the many obstacles in terms of economic structure, market failures, institutional deficiencies, policy inadequacies, and lack of social dialogue that prevent developing countries from reaping fully the potential benefits of globalization for employment growth.

The ILO plans to hold a *World Employment Forum* in 2001 to bring together national and international policy-makers, as well as representatives of the ILO's tripartite constituency, to examine critically some of the key problems that have to be confronted in achieving decent work in the global economy for all men and women and to launch new initiatives to deal with them in the perspective of full employment. *It is suggested that the preparations for and follow-up of this Forum should be a main focus of inter-agency collaboration in the next few years.*

Given the crucial importance of the gender dimension in comprehensive employment policies the ILO has launched an International Programme for More and Better Jobs for Women. This is directed at expanding employment opportunities for women, while enhancing their conditions of employment and eliminating discrimination at work. The programme focuses especially on the needs of poor and vulnerable women and aims to demonstrate that women's economic empowerment also benefits their families, communities and societies.

In addition, in line with Commitment 7 on accelerating the economic, social and human resource development of Africa and the least developed countries, the ILO has launched the "Jobs for Africa" programme. This is based on a framework for poverty-reducing employment strategies in Africa. The programme has two interlocked objectives: the first is to promote investment-led growth while the second is to ensure that this growth maximizes employment and reduces poverty.

Enterprise and job creation

The ILO's job creation programmes are based on the recognition of the key role played by *small enterprises* in this respect. This is also being increasingly recognized in countries at all levels of development. In order for them to play this role fully, small enterprises clearly have to be viable and productive. More attention needs to be given to the most suitable programmes to improve the policy,

regulatory and institutional environment to stimulate and facilitate small enterprise development. Conditions of employment in many small enterprises are notoriously bad, because they are generally beyond the scope of trade unions or labour inspectorates. The owners and managers of small enterprises, therefore, need to have access to advice and technical cooperation on the different ways in which improved job quality, training and working environment can contribute to increasing enterprise productivity.

Against this background the ILO has launched an InFocus Programme on Boosting Employment through Small Enterprise Development. Given that the greatest potential for job creation worldwide lies with the small enterprise sector, this programme aims to expand employment in this sector through enterprise creation and growth, improve the quality of jobs in small enterprises, ensure that gender concerns in small enterprise development are mainstreamed, and promote business networking and representation in small enterprises.

Self-employment programmes are another central area of action. One of the main constraints to entering self-employment is frequently lack of finance, and banks or other financial institutions are not generally interested in providing small loans for this purpose. The growth of micro-finance institutions to support self-employment programmes needs to be encouraged. The ILO plans to launch a global self-employment initiative, in partnership with the World Bank and various other intergovernmental organizations and donors, to promote viable and innovative schemes for self-employment.

The ILO has extensive experience in designing and implementing *employment-intensive programmes*. Investment in infrastructure accounts for a significant proportion of development expenditure in developing countries, so that the adoption of employment-intensive and local resource-intensive technologies in infrastructure works can also be an important part of a longer term strategy aimed at reconciling economic growth with greater social equity. Labour-intensive investment in productive resources (such as land development, irrigation schemes) or in social services (such as schools, health centres, sewerage, water supply) can be a powerful tool for both job creation and improved access of the poor to basic economic and social infrastructures, and thus for longer term development. Such programmes are also a useful means of providing basic income support to the poor during economic crises and in the aftermath of civil strife and natural disasters. The ILO therefore intends to intensify its work in this area through the mobilization of expanded donor support and closer collaboration with other relevant international organizations.

The informal economy

The restructuring of formal sector enterprises and the decline or at least the stagnation of employment in that sector mean that in virtually all developing and many transition countries a large proportion of the labour force have to resort for their livelihood to a proliferation of activities in the informal economy. This raises a number of difficult policy issues — not only for governments but also for employers and workers and civil society in general. It constitutes a survival strategy for most of those whom the formal sector is unable to absorb or retain; but it also implies social marginalization inasmuch as these activities lie beyond the scope of any form of social or legal protection. What is required is a more constructive attitude towards the informal economy: for instance the removal of unnecessary regulatory obstacles to informal activities, improved access to credit, skills, technology and other means of raising the productivity and viability of informal activities, and the progressive introduction of some minimal forms of labour and social protection.

The ILO is planning to organize a Global Conference on the Informal Economy in the year 2002. The purpose of the Conference will be to take critical stock of what has been learned and what has been achieved over the past 30 years in this field, as originally identified by the ILO, and to identify key areas for action and attention in the years ahead. *Since successful policies towards the informal economy need to be comprehensive in scope, the participation of other United Nations agencies and programmes in the planning and organization of this Conference should be encouraged. The ILO also hopes to bring to it a wide group of policy-makers, development specialists and academics, as well as representatives of the entrepreneurs and workers of the informal economy in various countries.*

Training and labour market policies

These policies (e.g. labour market information services, job-search and counselling services, training and retraining programmes) can be of key importance: they reduce the need for passive income support for those who lose their job, they prepare new jobseekers for entry into the labour market, they foster gender equality and, by improving the functioning of labour markets, they facilitate adjustment to change, promote higher levels of employment, and thus reduce resistance to change. These policies assume particular importance in the current era of globalization.

In particular, investing in knowledge and skills is increasingly regarded as critical for tackling employment problems. The globalization of economies and consequent changes in labour markets, the revolutionary advances in science and technology and the onset of the information society have boosted the possibilities of access to information and knowledge, but at the same time have changed the nature and content of jobs and the ways that production systems and work are organized, and skills are learned and applied. There is, consequently, a need to adjust flexibly and effectively to job and even career changes perhaps several times in the course of a worker's life. There are also implications for the delivery and acquisition of knowledge and skills; for instance, the increasingly critical role of enterprises in providing training, and the individualization of training in the form of lifelong learning.

The other side of this coin is increasingly unequal access to the labour market. The changing role of knowledge and skills seems to have exacerbated the exclusion of some disadvantaged groups from effective labour market participation. Consequently, strong inequalities in access to training and education persist and the potential contribution of skills development to the reduction of unemployment remains unfulfilled. In addition, women and men face differing opportunities and constraints, so a gender analysis of these issues is important.

Many observers believe that investment in learning and training is inadequate in the face of the new challenges. Labour market and training institutions are too sluggish to cope with rapidly changing production systems. Market signals undervalue training, and prevent investment at the level which social goals would justify.

Therefore, the task of enhancing employability through investment in knowledge and skills, faces three major challenges:

- to identify and measure better what knowledge, skills and abilities are required for enterprises and economies to improve economic efficiency and competitiveness, and for individuals to obtain freely chosen, gainful employment throughout their working lives;
- to ensure that investment in knowledge and skills becomes an instrument for providing satisfying routes into the labour market for everyone, and for promoting gender equality, and for the economic and social integration of currently disadvantaged and marginalized groups, including the disabled, displaced workers, ethnic minorities, the long-term unemployed and others;
- to create the conditions for lifelong learning, so that there is universal access to the renewal and upgrading of skills and the acquisition of new knowledge.

In order to assist its constituents in facing up to these challenges the ILO has launched an InFocus Programme on Skills, Knowledge and Employability. This aims at promoting increased and effective investment in training and human resource development for enhanced employability, competitiveness and growth and improved access of vulnerable groups to human resource development and labour market opportunities.

The second objective: Promoting basic rights at work

There has to be a worldwide acceptance of the *inviolability of basic rights at work*, which should in no way be sacrificed on the altar of economic efficiency. The Copenhagen Summit identified seven basic ILO Conventions and agreed that it was the common objective of the international community to promote their ratification and implementation. These concerned freedom of association and effective recognition

of the right to engage in collective bargaining;[1] the elimination of forced or compulsory labour;[2] the abolition of child labour;[3] and the elimination of discrimination in employment or occupation.[4] In doing so, the Summit highlighted the principles and rights contained in these Conventions as global objectives to be pursued by the international community as a whole. The Ministerial Meeting of the World Trade Organization in Singapore in 1996 renewed the commitment of governments to observe these internationally recognized core labour standards and to support the ILO's work in promoting them. In 1998 the International Labour Conference adopted a Declaration on Fundamental Principles and Rights at Work and its Follow-up, which is a decisive step towards universal respect of these rights, even by countries which have not ratified the relevant Conventions. It has two basic elements:

- it recognizes that all ILO Members (who are also, with very few exceptions, members of the other organizations of the United Nation system) have by their very acceptance of the ILO Constitution an obligation to respect, realize and promote these rights; and
- it provides for a follow-up procedure designed to monitor and encourage countries' efforts to fulfil this obligation. Moreover it explicitly rules out the use of the Declaration for protectionist purposes.

Another important recent development has been the unanimous adoption by the International Labour Conference in 1999 of a Convention on the worst forms of child labour (forced labour, sexual exploitation, illicit activity and dangerous work), thus reinforcing the network of instruments to combat these particularly intolerable practices.

These initiatives to promote the observance of fundamental rights and principles at work are of concern not only to the ILO but to the entire international system, because they are of major significance in the context of globalization. First, they will directly hasten the elimination of the most inhumane labour practices such as forced labour and the worst forms of child labour that have outraged the conscience of the international community. They will also provide the enabling conditions for eliminating discrimination in the labour market — including gender discrimination — as well as discrimination on other grounds such as race, religion and political opinion. Secondly, by guaranteeing freedom of association and the right to bargain collectively, they will create the negotiating power necessary for workers to obtain a better share of the benefits of growth in export industries as well as in other sectors of the economy. Thirdly, this countervailing power will contribute significantly to redressing the central problem of an uneven distribution of the economic gains from globalization. Fourthly, they can contribute decisively to wider objectives, such as greater democracy, greater transparency (and hence greater efficiency) in public policies, and better social protection. In all these ways, they can contribute to defusing the potential backlash against globalization, and eliminate an important source of friction that could disrupt further moves to open world markets.

It is therefore suggested that the Special Session of the General Assembly should call upon all States:

- to ratify and apply the seven basic ILO Conventions identified by the Copenhagen Summit as the social floor of the global economy, as well as the Worst Forms of Child Labour Convention, 1999 (No. 182), which has been adopted since the Copenhagen Summit;

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[1] Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

[2] Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105).

[3] Minimum Age Convention, 1973 (No. 138). A new instrument, the Worst Forms of Child Labour Convention (No. 182), was adopted at the 87th Session of the ILO Conference in June 1999.

[4] Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

- to cooperate with the ILO in implementing the follow-up to the Declaration on Fundamental Principles and Rights at Work which aims to ensure universal respect for the rights proclaimed in these Conventions. The support of the private sector in giving direct effect to these rights through corporate practices, as called for in the Global Compact proposed by the Secretary-General of the United Nations, would also be an important contribution.

The Special Session should also call upon the organizations of the international system to pursue their policies and activities in ways that support, and certainly do not undermine, country efforts to respect, promote and realize the fundamental principles and rights at work in their development policies: freedom of association, the effective recognition of the right to collective bargaining, elimination of forced or compulsory labour, effective abolition of child labour (beginning with its worst forms), and elimination of discrimination in employment or occupation. Technical cooperation should support country efforts to translate into practice these fundamental principles and rights at work, as well as other international labour standards that provide the framework for decent work for men and women. Such technical cooperation should include assistance in legal drafting, legislative and policy analysis and gender analysis to ensure compliance with the provisions of international labour standards, strengthening of labour inspection, and educational and training programmes for government officials and the social partners.

The Special Session should call upon all States and international organizations to support and participate in the global campaign launched by the ILO for the immediate elimination of the worst forms of child labour. In particular, national and international economic and social development programmes should systematically include urgent measures to this end. All international organizations and bilateral cooperation agreements could include specific objectives with respect to the worst forms of child labour. Eliminating the worst forms of child labour should spearhead the wider effort of progressively reducing all forms of child labour within the development reality of each country.

The third objective: Improving social protection

The ILO believes that in this era of globalization a sense of socio-economic insecurity has spread, and that the ILO should therefore look for new ways of promoting socio-economic security as the basis of social justice and economically dynamic societies. It believes that basic security for all is essential for decent work and decent societies, and that such security is essential for sustainable economic development. Creating conditions of basic security is advantageous for employers, who can secure greater cooperation and efficiency, for workers and their representatives, because this is a basic feature of well-being, and for governments, which can obtain greater acceptance for policy changes in other spheres.

For this reason, an InFocus Programme on Socio-Economic Security has been launched by the ILO. This programme is directed at developing policies and institutions that provide a growing proportion of the world's population with social and economic security; at identifying ways in which the poor and economically insecure can obtain minimal income security most effectively; and at identifying cost-effective and equitable ways in which social protection can be extended to all groups currently excluded from mainstream statutory social security schemes. The latter includes mechanisms such as informal micro-insurance schemes and appropriate unemployment and safety net schemes.

More open economies and liberalized financial markets, which are the hallmark of globalization, enhance the risk that financial and economic crises can be transmitted rapidly from one country or group of countries to another, often at short notice and with devastating and unexpected consequences for employment. International cooperation in the financial and monetary fields can help to moderate crises when they occur. But whatever improvements are made in the international financial system for this purpose, they will be no substitute for sound domestic policies to cushion the impact of such crises on workers. Few developing countries have adequate social protection for workers who lose their livelihoods in this way. In the absence of any formal social protection, workers who lose their jobs are obliged to resort to informal employment or to rely on the extended family for their livelihood, and they and their families are often subjected to great distress.

Beyond the necessity of providing social protection to the victims of financial crises, economic restructuring and other unforeseen circumstances, there remains the broader, long-term problem of providing social protection to the entire population as called for by the Copenhagen Summit. In much of the world that remains a very distant goal. More than half the world's labour force and their families are excluded from coverage by any form of statutory social security protection. The proportion is often higher than 90 per cent in sub-Saharan Africa and South Asia, and ranges from 50 to 90 per cent in most middle-income countries. Most of those excluded work in the informal sector, and even in developed countries there is a disturbing trend towards various new forms of exclusion from social protection. The possibilities of extending protection to the hitherto unprotected are currently under examination in the ILO. While there are only limited possibilities of extending coverage by statutory schemes to the informal sector or to the rural areas in most developing countries, there are in a number of countries informal micro-insurance schemes which in some cases have proved to be quite effective in providing support to the excluded, and which deserve greater support and recognition from the international community.

The challenge to the international community is to make the increasingly integrated global society a much more caring society.

A particularly important form of social protection which is conspicuously lacking in all but a handful of developing countries is *unemployment insurance*; even where it exists such schemes are typically very limited in scope and coverage. The introduction of unemployment insurance in countries where they do not exist, and the strengthening of such schemes in countries where they do, would seem to be a major priority if societies are to be more crisis-resistant — particularly in countries which have a large modern sector exposed to international competition. Feasibility studies by the ILO have shown that such schemes can be established at a very modest level of payroll taxes, can be largely self-financing and can provide critical income support for job losers even during the exceptional stress of a major economic crisis.

Other types of instruments also have an important role to play in protecting unemployed men and women and their families from destitution. They include systems of social assistance which provide basic income support, including income in kind and subsidies for essential goods such as food, fuel and housing. In many developing countries the implementation of publicly financed safety-net policies such as these would no doubt present a number of difficulties, including not only that of financing such schemes but also that of designing and organizing them in such a way that they are effectively targeted at those who most need them. To assist countries to overcome these difficulties the ILO has, over recent years, developed a social budgeting methodology which allows governments and social partners to analyse the fiscal, financial and economic sustainability of alternative social assistance models. These difficulties are not insuperable if there is a political will and a political understanding of the need to provide such protection. *For its part, the ILO will launch a major review of its social security standards with a view to assessing whether they remain valid or require modification to meet the new challenges of national social protection systems.*

The self-employment and employment-intensive programmes mentioned earlier can also be looked upon as "active" measures which can be set in motion or intensified to provide some alternative means of livelihood for formal sector workers whose jobs have disappeared as a result of a financial crisis or radical restructuring measures. Other less formal types of safety nets can be provided by cooperative-type organizations and/or by voluntary organizations, which can mobilize solidarity in favour of those in greatest hardship, especially in the provision of health care, housing, education and utilities.

The increase in women's employment and the gradual acceptance of the relevance of work and family issues to men as well have been accompanied only rarely by deliberate and practical measures aimed at enabling men and women workers to reconcile work and family life. On the contrary, in some countries factors such as longer working hours and less flexibility in schedules, as well as the increase in migration for work, have exacerbated the difficulties for workers to balance work and family responsibilities. There is an urgent need to move the focus of attention beyond the impact that family demands have on work, to the impact that work has on family and personal life. This is closely linked to the promotion of gender equality at work and at home, particularly since women still bear the main burden of caring for children, the elderly, the sick and the disabled within the family and the close community, as well as for household chores.

In particular, governments should seek to extend the scope and coverage of existing measures that seek to harmonize work and family responsibilities, which — where they exist — are often available only to a small proportion of workers. In order to have a real impact, these government initiatives must be complemented by action by employers at the workplace, for example in giving workers wider choice in more flexible working arrangements. Governments should, therefore, act to increase the dialogue with employers, and with workers, on work-family challenges. Greater efforts should also be undertaken to assess the costs and benefits of measures to harmonize work and family concerns, and their influence on satisfaction and performance at work. These assessments, complemented by the identification of innovative public and corporate strategies that have had a positive impact on work-family experiences, will assist in developing specific family-friendly strategies which benefit workers as well as employers in terms of quality of work life and improved business performance. ILO standards, including the Workers with Family Responsibilities Convention, 1981 (No. 156), and Recommendation (No. 165), as well as the Maternity Protection Convention (Revised), 1952 (No. 103), the Part-Time Work Convention, 1994 (No. 175), the Home Work Convention, 1996 (No. 177) and others, as well as the standards concerning child labour and equality of opportunity and treatment, provide guidance in these matters that can be complemented by advisory services.

The protection of *migrant workers* requires special attention by the international community. The process of globalization has increased the prominent role being played by commercial intermediaries in the market for foreign labour, but it is difficult to control these recruitment agencies, many of which engage in fraudulent and highly exploitative practices. Moreover, the flow of illegal migrants has been steadily growing during the past few years. Although considerable progress has been made in establishing universal principles for the treatment of this vulnerable group, large numbers of migrants continue to be subjected to exploitation in recruitment and employment, to forced labour, to exclusion from social insurance and to the denial of their human rights. These include foreign women in the prostitution traffic, domestic workers deprived of their travel documents, bonded labour in plantations, construction workers in unsafe work and housed in deplorable and insanitary conditions, and various sorts of undocumented foreign workers in clandestine and grossly underpaid jobs. *A major international effort is required to assess the dimension of these problems, to examine the market conditions and institutional failures which either cause or give occasion to these abuses, and to assist national authorities to identify and apply practical solutions.*

Another important area of worker protection is the improvement of working conditions. It must be demonstrated that globalization need not be synonymous with the deterioration of working conditions and the working environment. On the contrary, successful businesses the world over, in developing as well as developed countries, show that improved working conditions and better safety and health can contribute significantly, often decisively, to business success at the micro level, and to economic success at the macro level. The key to success is effective prevention, an important component of ILO social protection policies and strategies. However, around the world millions of men and women still work in poor and hazardous conditions. Every year, more than 1.2 million people die of work-related accidents and diseases and more than 160 million workers fall ill each year due to workplace hazards. The poorest, least protected — often women, children and migrants — are among the most affected. It is also relevant to note over 90 per cent of enterprises where conditions are very poor and the workers in them excluded from all labour protection are micro- and small enterprises. Moreover, in many developing countries the death rate among workers is five to six times that in industrialized countries. Yet the phenomenon is still largely undocumented and there is insufficient political will to address the problem. Global competition, growing labour market fragmentation and rapid change in all aspects of work create a mounting challenge for labour protection, especially in developing countries. Workers in rural areas and the urban informal sector are often ignored or difficult to reach.

The ILO can contribute to further initiatives in this field through:

- promoting preventive policies and developing programmes to protect workers in hazardous occupations and sectors;
- extending effective protection to vulnerable groups of workers falling outside the scope of traditional protective measures;

- equipping governments and employers' and workers' organizations to address problems of workers' well-being, occupational health care and the quality of working life;
- documenting the social and economic impact of improving workers' protection and campaigning for recognition of these issues by policy- and decision-makers.

Against this background the ILO has launched an InFocus Programme on SafeWork which aims to create worldwide awareness of the dimensions and consequences of work-related accidents, injuries and diseases; to place the health and safety of all workers on the international agenda; and to stimulate and support practical action at all levels, including through a global programme of technical assistance. Human suffering and its cost to society, as well as the potential benefits of protection, such as enhanced productivity, quality and savings in resources, will be documented and publicized. As a policy and operational tool, the primacy of prevention as an efficient and cost-effective way of providing safety and health protection to all workers will be promoted.

The fourth objective: Promoting a social dialogue

The lack of public support for, and understanding of, the process of globalization is due in no small measure to the absence or the weakness of institutional arrangements for consultation and negotiation with those most directly concerned by the ongoing economic and labour market transformations, that is, the workers and employers. At the root of this problem are the restraints on freedom of association that prevail in many countries. In some there is no real freedom for workers or employers to form organizations at all; in others a single trade union system is imposed by law or there are other restrictions on the right to organize which effectively negate any real freedom. In many other countries there is a lack of positive encouragement for the growth of free and independent trade unions and employers' associations or a reluctance to accept them as a positive force for developing sound systems of industrial relations and consultative mechanisms on labour policy.

The absence of social dialogue has hindered the development of effective and equitable policies for achieving broad-based social progress. For example, a salient conclusion of most Country Employment Policy Reviews undertaken by the ILO as a follow-up to the Social Summit is that social dialogue is essential for formulating sound employment policies and for mobilizing the broad social support that is necessary for their successful implementation. Social dialogue is also essential for the successful design and implementation of structural reforms in areas such as labour market regulation, social protection and privatization. Workers' and employers' representatives, along with ministries of labour and employment, can also offer invaluable input into the design and implementation of policy initiatives, in areas such as work safety, job training and skills development. Having their voices heard and their concerns taken into consideration encourages workers and employers to take ownership of the policy outcomes. Moreover, consensus building on difficult issues contributes to social harmony and political stability, which are necessary preconditions for democracy to flourish.

Particularly among developing countries, where globalization has exhibited its most detrimental consequences, social dialogue holds enormous potential. Rather than becoming the victims of global change, the social partners in these countries can be actively engaged in setting and achieving sustainable development objectives. As an important corollary, dialogue should be encouraged with the world's financial institutions, so that workers' and employers' representatives are afforded a say in the future direction of their economies.

In contrast, another telling and topical example is that the absence of a genuine social dialogue has proved to be a severe handicap in coping with economic crises and their social consequences. It has been a factor contributing to the general lack of transparency and accountability which was one of the root causes of the crisis facing several countries, and which allowed the economic mismanagement that caused the crisis in the first place to go unchecked. The weakness of industrial relations systems at the enterprise and industry levels rules out options such as the adoption of arrangements to reduce the extent of job losses resulting from the economic turn-down through work-sharing, pay restraint and the orderly restructuring of enterprises. The absence of mechanisms for social dialogue compounds the problem of maintaining

social cohesion and averting industrial and social unrest during times of economic crisis. Without strong social partners it is impossible to build social consensus on measures for economic recovery involving a fair balance between the sacrifices required and efforts to relieve the social hardship provoked by the crisis. This in turn reduces the prospects for a speedy resolution of the crisis.

The strengthening of the systems and institutions for social dialogue needs to be given a good deal of prominence in the conclusions of the Special Session, since it is of central importance for ensuring the social acceptability and thus the sustainability of economic change and restructuring resulting from the process of globalization. A fundamental precondition is to guarantee freedom of association, which is a central function of the ILO. But even when this is guaranteed, it is necessary to promote the growth and build the capacity of genuinely representative organizations such as trade unions and employers' organizations, to create a legal framework for negotiations and collective bargaining among them, to set up machinery for the prevention and settlement of disputes and to create bodies for tripartite consultation and negotiation. These activities are part of the ILO's ongoing programmes in this field. They are especially important in countries that have recently emerged from authoritarian political systems to greater democracy, which have little or no experience in free collective bargaining and social dialogue, where employers' and workers' organizations are weak or even non-existent, and where an appropriate institutional framework needs to be developed. But even countries which have longer democratic traditions may need to reform their systems and institutions for social dialogue in the light of changes in the economic environment and the characteristics of the labour market. There is no single model to follow; each country and society has to find its own way and develop its own systems in the light of its social and economic conditions and its legal systems and traditions. But all countries can learn from each other, and a worldwide exchange of information and experience on good practices in industrial relations and social dialogue can be of immense practical help.

To this end, the ILO through its recently launched InFocus Programme on Strengthening Social Dialogue is engaged in building up a database of examples of successful models of social dialogue that will be made available to the social partners throughout the world. In addition, the ILO will seek to demonstrate the effectiveness of social dialogue through an applied and practical research programme which includes an analysis of the costs and benefits derived from social dialogue. By measuring the advantages associated with social dialogue in both quantitative and qualitative terms, the ILO will help to build public confidence and trust in these institutions and mechanisms.

IV. Concluding remarks

Globalization as a process of promoting more open economies and more open societies is generally accepted. But the present form of globalization is entering a crisis of popular support. The Social Summit of 1995 raised, for the first time, the need to globalize social progress. But this has been insufficient to bring about improvements in social conditions in most parts of the world.

There is certainly a link between these two statements. If globalization is in crisis, it is because there has been inadequate social progress and inadequate social dialogue. And if social development falls far short of the ambitions of Copenhagen, it is because globalization has failed to deliver its promised social benefits.

This vicious circle has to be broken. The Special Session of the General Assembly could be an opportunity to break it. This paper has attempted to suggest some promising avenues to be explored. No progress can be made unless it is recognized that the economic and the social aspects of growth and development are in fact two sides of the same coin.

It is with this in mind that the ILO proposals for new initiatives to the Special Session have, in essence, called upon all the major actors involved to redouble their efforts, both individually and collaboratively, to achieve a better balance between the economic and social aspects of globalization. The key requirement is a conceptual shift to integrated thinking. Therefore, the international agencies with economic and/or social mandates have to work together to achieve greater synergies between economic and

social policies, and also to achieve key social objectives such as compliance with the ILO Declaration on Fundamental Principles and Rights at Work. The donor community is called upon to provide expanded support for strategic global programmes to achieve the goal of decent work for all in the world economy, including country-level technical assistance. Governments have to continue to adapt their economic and social policies to respond to the new challenges generated by globalization. This will require an effort both to bring about a better integration of economic and social policies and to accord the highest priority to objectives such as full employment, the strengthening of social protection, respect for basic worker rights and greater openness to social dialogue. The social partners and civil society will have to continue to lobby for more progressive social policies including gender equality, respond constructively to new opportunities for dialogue on policy formulation, and provide active support for policies and programmes that will most effectively advance social progress.